



METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: Administration Committee

DATE: December 7, 2011

FR: Executive Director

WI: 1152

RE: Contract Amendments: Ancillary Audits and Consulting Services:

- i. Caporicci & Larson CPA, Oakland, CA
- ii. KPMG LLP, Sacramento, CA
- iii. Deloitte & Touche LLP, San Francisco, CA
- iv. Macias, Gini & O'Connell LLP, Walnut Creek, CA

Staff requests that the Committee approve an increase of \$220,000 in funding for ancillary audit services for a FY 2011-12 program total of \$520,000 and authorize staff to enter into contract amendments up to the total budget with any of the above pre-selected audit firms.

Background:

On May 4, 2011 this Committee approved a contract budget of \$300,000 with the above four audit firms to perform ancillary audits and consulting services during FY 2011-12. The four listed audit firms were pre-selected through a previous procurement process to perform assurance, audit and consulting services outside of the main financial audit for MTC, MTC SAFE and BATA through June 30, 2012. MTC rotates the engagements among the selected firms based on MTC's needs, firm expertise, and auditor staff availability. The current contract engagements for FY 2011-12 are distributed as follows:

- Caporicci & Larson CPA (\$20,000)
- KPMG LLP (\$0)
- Deloitte & Touche LLP (\$50,000)
- Macias, Gini & O'Connell LLP (\$200,000)

The balance remaining of the original authorization is \$30,000. Staff is seeking an increase in the FY 2011-12 contract authorization due to additional federal contract pre-award audits, the freeway service patrol contract compliance audit, and expanded Regional Measure 2 (RM2) invoice review responsibilities.

Recommendation

Staff recommends this Committee authorize an additional \$220,000 for FY 2011-12 ancillary audit services and authorize the Executive Director or his designee to negotiate and enter into contract amendments with any of the four firms listed above in cumulative amounts not to exceed \$250,000 (\$220,000 – new; \$30,000 existing balance) for a total of \$520,000 available for FY 2011-12. Funds are included in the approved FY 2011-12 agency operating budget.


Steve Heminger

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Amendments

Work Item No.: 1152

Consultant: Caporicci & Larson CPA, Oakland, CA
KPMG LLP, Sacramento, CA
Deloitte & Touche LLP, San Francisco, CA
Macias, Gini & O'Connell LLP, Walnut Creek, CA

Work Project Title: Ancillary audits and Consulting services for FY 2011-12.

Purpose of Project: Obtain services of Independent Auditor.

Brief Scope of Work: To perform assurance, audit and consulting services for MTC, MTC SAFE and BATA.

Project Cost Not to Exceed: \$220,000 this action
Current contract amounts: \$270,000

- Caporicci & Larson CPA (\$20,000)
- KPMG LLP (\$0)
- Deloitte & Touche LLP (\$50,000)
- Macias, Gini & O'Connell LLP (\$200,000)

Balance left in original FY 2011-12 authorization = \$30,000
New total available = \$520,000

Funding Source: SAFE \$10,000.00, BATA \$180,000, STP \$30,000

Fiscal Impact: Included in FY 2011-12 Operating Budget.

Motion by Committee: That the Executive Director or his designated representative is authorized to negotiate and enter into contract amendments with the above four firms in cumulative amounts not to exceed \$250,000, to perform the assurance, audit and consulting services for MTC, MTC SAFE and BATA for fiscal year ending June 30, 2012. The Executive Director or his designated representative may assign the audit engagements to any of these firms based on MTC's requirements, firm expertise, and staff availability as long as the total amount of all amendments does not exceed \$250,000 (for a total of \$520,000 for the fiscal year). The Chief Financial Officer is authorized to set aside funds for such amendments.

Administration Committee:

Dave Cortese, Chair

Approved: Date: December 14, 2011